

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: § **Chapter 11**
FIELDWOOD ENERGY III LLC, *et al.*, § Case No. 20-33948 (MI)
Post-Effective Date Debtors.¹ § **(Jointly Administered)**

**STIPULATION AND ORDER BETWEEN AND AMONG
QUARTERNORTH ENERGY LLC, THE PLAN ADMINISTRATOR, AND
CGG SERVICES (U.S.) INC. RESOLVING ADJOURNED ASSUMPTION DISPUTE**

This stipulation and order (the “**Stipulation and Order**”) is entered into by and between

(i) QuarterNorth Energy LLC (“**QuarterNorth**”), (ii) the Plan Administrator in the above-captioned cases, and (iii) CGG Services (U.S.) Inc. (“**CGG**”, and together with QuarterNorth and the Plan Administrator, the “**Parties**”).² The Parties hereby stipulate and agree as follows:

WHEREAS, commencing on August 3, 2020 (the “**Petition Date**”), each of the Debtors filed a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”);

¹ The Post-Effective Date Debtors, along with the last four digits of each Post-Effective Date Debtor's federal tax identification number, as applicable, are: Fieldwood Energy III LLC (6778); Fieldwood Energy Offshore LLC (4494), Fieldwood Energy Inc. (4991), GOM Shelf LLC (8107), and FW GOM Pipeline, Inc. (8440). Fieldwood Energy III LLC, Fieldwood Energy Offshore LLC, and Fieldwood Energy Inc. are managed and operated by the Plan Administrator, whose primary mailing address is 16255 Ventura Blvd., Suite 440, Encino, CA, 91436, C/O of Province LLC. GOM Shelf LLC and FW GOM Pipeline, Inc. (collectively, the "**Post-Effective Date FWE I Subsidiaries**") are managed and operated by Jon Graham, as sole manager of each Post-Effective Date FWE I Subsidiary. The Debtors in the other nine pending chapter 11 cases (which continue to be jointly administered with the cases of the Post-Effective Date Debtors), each of which have either been dissolved or merged into other entities as of the Effective Date, consist of the following: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422).

² Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Plan (as defined herein).

WHEREAS, Fieldwood Energy III LLC³ (“**Fieldwood**”) and CGG are party to that certain *Master Geophysical Data-Use License (Multiple Transactions)* effective June 27, 2014 (together with any and all supplements thereto, the “**CGG License Agreements**”) that are identified⁴ on the Schedule of Assumed Contracts for assumption and assignment to QuarterNorth pursuant to the terms of the Debtors’ *Modified Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and Its Affiliated Debtors* (ECF No. 2008) (the “**Plan**”);

WHEREAS, the Debtors’ proposed Cure Amount for the CGG License Agreements is \$801.23;

WHEREAS, on June 2, 2021, CGG filed *CCG Services (U.S.) Inc.’s Objection to Confirmation of the Fourth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and Its Affiliated Debtors* (ECF No. 1439) (the “**CGG Objection**”);

WHEREAS, the CGG Objection asserts that the CGG License Agreements cannot be assumed and assigned to QuarterNorth absent CGG’s consent because (i) the CGG License Agreements contain change in control provisions, and (ii) CGG is excused from accepting performance from QuarterNorth under Section 365(c)(1)(A) of the Bankruptcy Code;

WHEREAS, on June 25, 2021, the Bankruptcy Court entered its *Findings of Fact, Conclusions of Law, and Order (I) Confirming Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and its Affiliated Debtors and (II) Granting Related Relief* (ECF No. 1751) (the “**Confirmation Order**”) confirming the Debtors’ *Eighth Amended Joint Chapter 11 Plan of*

³ As contemplated by the Plan, Fieldwood Energy LLC changed its name to Fieldwood Energy III LLC following a Divisive Merger pursuant to the Initial Plan of Merger.

⁴ The CGG License Agreements are collectively described at line no. 272 of the Schedule of Assumed Contracts as a “Perpetual Software License Agreement.”

Fieldwood Energy LLC and Its Affiliated Debtors (ECF No. 1742) (as modified at ECF No. 2008, the “**Plan**”);

WHEREAS, pursuant to paragraph 38 of the Confirmation Order and Section 8.2 of the Plan, the Debtors and CGG agreed to adjourn the hearing on the CGG Objection to a time after the Confirmation Hearing (the “**CGG Adjourned Assumption Dispute**”);

WHEREAS, the Parties have negotiated in good faith to resolve the CGG Assumption Dispute on the terms and conditions set forth in this Stipulation and Order.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into this Stipulation and Order, the Parties hereby stipulate and agree as follows:

1. Upon the Bankruptcy Court’s approval of this Stipulation and Order, the CGG Objection and the CGG Adjourned Assumption Dispute shall be deemed resolved.

2. Upon entry of this Stipulation and Order, the CGG License Agreements set forth on Exhibit A hereto (the “**Assigned CGG License Agreements**”) shall be deemed assumed and assigned to QuarterNorth as of the Effective Date of the Plan pursuant to the terms of the Plan Documents, which include the Confirmation Order and the Plan.

3. The Cure Amount with respect to the Assigned CGG License Agreements is \$0.00

4. Adequate assurance of future performance of the Assigned CGG License Agreements has been provided.

5. Upon entry of this Stipulation and Order, the CGG License Agreements set forth on Exhibit B hereto shall be deemed rejected as of the Effective Date of the Plan.

6. This Stipulation and Order shall not be modified, altered, amended or supplemented except by a writing executed by all Parties through their authorized representatives.

7. The terms and conditions of this Stipulation and Order shall be immediately effective and enforceable upon entry by the Bankruptcy Court.

8. The Bankruptcy Court shall retain jurisdiction over all matters related to this Stipulation and Order.

IT IS SO ORDERED.

Dated: _____, 2021

HON. MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

IN WITNESS WHEREOF, this Stipulation and Order has been executed and delivered as of the day and year first below written.

Dated: November 17, 2021

/s/ Mark A. Platt

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-and-

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EXHIBIT A
Assigned CGG License Agreements

CGG-GOM 001	CGG-BAG (WEK) (Final Velocity Model)
	CGG-BAG (WEK) (Gathers Kirchhoff PSDM) (wo RMO)
	CGG-BAG (WEK) (Migration Kirchhoff PSDM) (Final)
	CGG-BAG (WEK) (Migration WEM PSDM) (Final)
	CGG-BAG (WEK) (Sediment Velocity Model)
	CGG-Green Canyon I-II-III (Gathers PSTM) (wo NMO) (Inlines Divided by 2)
	CGG-Green Canyon I-II-III (Migration PSTM) (Raw)
	CGG-Green Canyon I-II-III (Stacking Velocity - ASCII)
	CGG-Green Canyon I-II-III (Stacking Velocity -SEGY)
	CGG-Green Canyon IV (Gathers PSTM) (wo NMO)
	CGG-Green Canyon IV (Migration PSTM (Final) (GC4 + GC5)
	CGG-Green Canyon IV (Migration PSTM) (Raw)
	CGG-Green Canyon V (Migration PSTM) (Final)
	CGG-Green Canyon - Atwater Valley (Migration PSTM) (Final)
	CGG-Mississippi Canyon - Atwater Valley (Gathers PSTM)
	CGG-Mississippi Canyon - Atwater Valley (Migration Final)
	CGG-Phase C (PSDM) (Final Velocity Model - Cut)
	CGG-Phase C (PSDM) (Kirchhoff PSDM Migration) (Final)
	CGG-Phase D) (WEK) (Final Velocity Model)
	CGG-Phase D) (WEK) (Kirchhoff Gathers without RMO
	CGG-Phase D) (WEK) (Kirchhoff PSDM Migration) (Final)
	CGG-Phase D) (WEK) (Kirchhoff Sediment Flood Velocity Model
	CGG-Phase D) (WEK) (Sediment Flood Velocity Model
	CGG-Phase D) (WEK) (WEM PSDM Migration)

EXHIBIT B
Rejected CGG License Agreements

CGG-GOM 001	Main Pass/Viosca Knoll Phase I-IV (Migration Conventional) MPVK I-IV Moves (Migration PTSM Moves)
CGG-GOM-002	MPVK I-IV (Nav Merge Data)
	MPVK I-IV (Conventional Migration)
	MPVK Time Reprocessing 2013 (Final Kirchhoff Pre-Stack Time Migration Stack) (Filtered)
	MPVK Time Reprocessing 2013 (Final Kirchhoff Pre-Stack Time Migration Stack) (Raw)
	MPVK Time Reprocessing 2013 (Final Velocity Model)
	MPVK Time Reprocessing 2013 (Final Kirchhoff Pre-Stack Time Migration Gathers) (Raw) (with RMO)
CGG-GOM-003	MPVK I-IV (Conventional Migration)
	MPVK Time Reprocessing 2013 (Final Kirchhoff Pre-Stack Time Stack) (Filtered)
	MPVK Time Reprocessing 2013 (Final Kirchhoff Pre-Stack Time Migration Stack) (Raw)
	MPVK Time Reprocessing 2013 (Final Velocity Model)
	MPVK Time Reprocessing 2013 (Final Kirchhoff Pre-Stack Time Migration Gathers) (Raw) (with RMO)